



State of California
Employment Training Panel

Training Proposal for:
US Farm Systems, Inc.

Agreement Number: ET09-0211

Panel Meeting of: **July 25, 2008**

ETP Regional Office: **Sacramento**

Analyst: K. Muraki

PROJECT PROFILE

Contract
Type: Priority/SB<100

Industry
Sector(s): Manufacturing

Counties
Served: Tulare

Repeat
Contractor: ☒ Yes ☐ No

Union(s): ☐ Yes ☒ No

Priority
Industry: ☒ Yes ☐ No

No. Employees in CA: 62

No. Employees Worldwide: 62

Turnover Rate %	Manager/ Supervisor %
13%	10%

FUNDING DETAIL

Program Costs	Substantial Contribution	Total ETP Funding
\$161,200	\$0	\$161,200

In-Kind Contribution
\$204,000

TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Average No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Priority/SB<100	Business Skills, Computer Skills, Continuous Improvement, Manufacturing Skills, Management Skills	62	24 - 150	0	\$2,600	\$12.85
				Weighted Avg: 100			

Minimum Wage by County: \$12.85 is the ETP Minimum Wage for Tulare County

Health Benefits: ☒ Yes ☐ No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: ☒ Yes ☐ No

\$2.20 per hour may be used to meet the Post-Retention Wage.

Other Benefits: Annual bonus, incentive bonus

Wage Range by Occupation	
Occupation Title	Wage Range
Frontline Supervisors	
Administrative Staff	
Fabricators	
Shop Personnel	
Field Service Staff	
Installers	
Draftsmen	
Technical Staff	
Managers	

INTRODUCTION

In this proposal, US Farm Systems, Inc. (US Farm) seeks funding for retraining as outlined below:

US Farm is a manufacturer of pumps, agitators, and separators for the dairy industry. The company also distributes a rubber matting product which promotes higher productivity from dairy herds. The company is eligible under the standard retraining provisions for manufacturers as outlined under Title 22, California Code of Regulations (CCR), Section 4416 (d),(1)(2).

Founded in 1979 in Wisconsin as a distributor for Canadian businesses, US Farm has continued to grow and employs 62 full-time workers. In 1983 the company moved from

Wisconsin to Goshen, California, providing a pumping service. In 1987 the business relocated to Tulare and began manufacturing operations.

The company has customers in the United States and is in negotiations with companies in China, Mexico, and Saudi Arabia to distribute their products. According to company representatives, US Farm provides dairy waste management and services to the dairy industry to assist dairies to comply with environmental regulations and protect surrounding communities.

US Farm is requesting funding for a second project to continue to move toward a high performance workplace which depends on the ability of the workforce to perform effectively and efficiently in the areas of inventory control, lean manufacturing principles, team building, process analysis, quality control, Kaizen, and related occupational skills. This training will promote skill development and cross-training in various skills, allowing for flexibility, increased manufacturing capacity, and responsiveness among service and installation crews. This will enable employees to work and understand work processes and departmental relationships. The successful training indentified in the first ETP Agreement has formulated the need for additional training in the company's next stage of development.

This training will continue to meet the company's goals to reduce redundancy, waste, defects, product returns, and warranty service calls.

PROJECT DETAILS

The curriculum will consist of the following:

Business Skills training will continue to provide customer service skills and establish improved vendor relationships. This training will allow improve overall company performance.

Computer Skills These skills will enable employees to improve analysis, produce reports on manpower requirements, materials outage, quality feedback, and related information needed in a productive and efficient workplace.

In addition, employees involved in project management will train in more technical software packages such as Computer-Assisted Drawing and Design for Fabrication. Materials Resource Planning software methods will be provided to frontline supervisors, managers, and various lead staff throughout the company to visualize material flow and lean manufacturing process implementation.

Manufacturing Skills US Farm will continue to provide training in just-in-time concepts, Kaizen, cell manufacturing, supply-chain management, and related skills. Process analysis and Kan Ban systems will be further developed to ensure effective inventory control. The company's goal is to continue lean production techniques in the workplace environment, shorten customer lead times, and significantly increase productivity.

Continuous Improvement will provide employees with the ability to make positive and lasting changes in work processes. This second phase of training is intended to coordinate curriculum components with instruction in the Kaizen method under Manufacturing Skills, with the goal of improving efficiencies and exceeding quality standards.

Management Skills will provide managers and frontline supervisors the skills to manage future growth, product development, and distribution networking. Strategic planning and project

management skills will be provided, to enhance skill levels of supervisory positions in skills that will allow the company a more integrated planning process.

Strategic planning and project management will provide the skills for managers and supervisors to manage future growth, product development, and distribution networking. Leadership skills will enhance the team building and problem solving processes.

Commitment to Training

According to company representatives, US Farm provides on-the-job training in basic skills and new equipment, as well as basic safety and new-hire orientation.

The company's current training budget is \$85,000 a year. ETP-funded training will allow the company to move toward a high performance workplace by implementing a continuous improvement process that is expected to improve the working environment through organization, technological mastery, and greater efficiency, according to the officials.

US Farm represents that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

Frontline Worker

The company uses the job classification "frontline supervisor." In fact, based on the nature and scope of the job duties, these employees are eligible for overtime compensation. Therefore, they meet the Panel's definition of frontline workers. (Title 22, CCR, Section 4400(ee).) With this in mind, no more than 10% of the trainee population are supervisors or managers.

High Unemployment Area

The 62 trainees in Job Number 1 work in a High Unemployment Area (HUA). This is a region with unemployment exceeding the state average by at least 25%, using the unemployment rate set by the Labor Market Information Division of the Employment Development Department. (Title 22, CCR, Section 4429(b).) However, the company is not asking for a wage modification.

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal.

ACTIVE PROJECTS

The following table summarizes performance by the company under an active ETP Agreement:

Agreement No.	Approved Amount	Term	No. Trainees (Average)	No. Completed Training	No. Retained
ET07-0129	\$211,200	08/08/06 – 08/07/08	64	43	17

US Farm anticipates a 71% success rate on this active project. The company is more familiar with the ETP process and with the assistance of Strategic Business Solutions providing administrative support, expects an even greater success for the projected proposal.

DEVELOPMENT SERVICES

The company retained Strategic Business Solutions, L.L.C. of Exeter to assist with development of this proposal at no charge to US Farm.

ADMINISTRATIVE SERVICES

The company also retained Strategic Business Solutions, L.L.C. to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

Integrated Resource Consulting of Fresno has been retained to provide training for a fee of \$35,000. Other trainers will be identified for ETP record-keeping purposes, as they are retained by US Farm.

Exhibit B: Menu Curriculum

Class/Lab Hours

24 – 150

Business Skills

Customer Service
Contract and Pricing Negotiation
Enhanced Product and New Customer Knowledge
Billing and Accounts Payable
Inventory Control

Computer Skills

Computer Assisted Drawing
Design and Fabrication
Microsoft Project
Accounting Systems

Continuous Improvement

Tools and Processes for Leading Change
Team Building and Problem Solving Skills
Organizational Change
Procurement Processes
Lean Manufacturing Principles and Concepts
Quality Control Systems
Job Estimation

Manufacturing Skills

Cellular Manufacturing
KanBan Set-Up and Implementation
Materials and Product Flow Systems
Production Standards
Warehousing Systems
Process Analysis and Review
Material Resource Planning

Management Skills (For Managers only)

Strategic Planning
Project Management
Leadership Skills
Leading Change